

TDC Blue Ribbon Committee
September 19, 2007 Meeting Minutes Final

Members Present: ECOSLO- Maria Lorca; Sierra Club – Susan Harvey; Templeton Area Advisory Group - Nicholas Marquart; Active Agriculturalist – Charles Whitney; Subdivision Review Board, Public Works – Richard Marshall; General Public – Melissa Boggs; General Public - Christine Volbrecht; Ag Liaison – Mark Pearce; Farm Bureau – Joy Fitzhugh; City of San Luis Obispo – Kim Murry; South County Advisory Council - Jesse Hill; Land Conservancy – “BK” Bruce Richard; Development Firm – Denis Sullivan

Members Absent:; City of Paso Robles- Ron Whisenand; Existing TDC receiver site – Chad Whittstrom; Subdivision Review Board, Air Pollution Control Board – Aeron Arlin Genet;

Committee Staff Present: Karen Nall and Kami Griffin, Planning and Building

Others Present: Dorothy Jennings, Sue Luft, Brian Stark, Kathy Sweet, Eric Greening, Lynda Auchinachie, Paul Sittig, Ryan Hostetter, Ellen Carroll.

Richard Marshall opens the meeting.

Approval of the minutes: On a motion by Charlie Whitney seconded by Joy Fitzhugh, the minutes of the August 22, 2007 and September 5, 2007 meeting are approved.

Discussion: Guest Speaker Rick Pruetz is introduced. Each attendee member introduces themselves.

Rick Pruetz introduces himself. The following is a outline of Mr. Pruetz presentation:

TDR encourages voluntary re-direction of growth

- From sending areas: where a community wants less or no development
- To receiving areas: where a community wants growth

Sending site owners can choose not to use TDR Or they can choose the TDR option

- Record easement restricting development
- Create the number of TDRs allocated by zoning
- Sell TDRs as compensation for preservation

Montgomery County Results

- Developers find TDR more profitable
- County has preserved 47,000 acres without tax dollars
- Landowners sell development rights and keep farm income

Beyond Taking and Givings.com is web site of TDR programs around the country

- TDR programs are found where you see the most growth
- Of 172 TDR programs:
 - 69 environmental
 - 44 environment & farmland
 - 32 farmland
 - 15 historic preservation
 - 12 other (housing, infrastructure, urban design, revitalization)

Examples of successful programs are provided.

Success Factors

- Support for the program
- Sending areas is what you want to protect.

-Receiving sites. TDR is the only way to get the density that you want.

Sending Area Motivations

Landowners prefer the TDR option when:

- Physical constraints – topography, soils distance to roads and infrastructure
- Density restrictions
- Development regulations
- Off-site requirements

Rural areas are easier to develop which is an unintended motivation

Developers Must Want Extra Development Granted by TDR

Most TDR programs use bonus density as incentive

TDR can offer developers special treatment in other regulations:

- Building floor area
- Building height
- Land coverage
- Priority under or exemption from permit quotas (Tahoe)

Often baseline density is maximum density allowed by underlying zoning

If developers are not currently building to that maximum:

- Encourage smart-growth density and be patient
- Some programs have reduced maximum density of the underlying zoning
- Ideally, find receiving areas where up-zonings are inevitable: urban edge where rural density zoning must change to urban zoning

Extra Density Only By TDR

TDR often fails when developers can exceed thresholds:

- By using non-TDR procedures like clustering
- By providing on-site amenities
- By requesting and receiving up-zonings for free
- San Francisco, CA allows extra density only by TDR

Affordable TDR - common assumption 1 to1 ratio

Market Adjustment – What a developer is willing to pay

Market Estimate Value of TDR to Developers

- Appraisers can use the difference in land value in different zones
- Use programs from comparable communities around the country
- Estimate what a developer is willing to pay

Appraisal system is a good way to go

Must have adjustments for market differences

Treat TDR as a commodity

Allow TDR to be purchased and held by anyone

Allow TDR banks and revolving funds

- Seed money can be used to buy TDRs
- Sales of TDRs create funding for more TDR purchases
- Bonds, grants and tax revenues can be replenished over and over, providing ongoing revolving fund

TDR Banks

- Facilitate transfers

- Stabilize markets
- Leverage limited funding
- Signal community commitment
- Seed money mostly tax, bond and general fund

Inter-Jurisdictional Transfers

4 examples are provided.

Example One: Regional State Mandated

New Jersey Pinelands

- One million acre planning area with 60 jurisdictions
- All jurisdictions required to conform plans and codes to regional plan
- Receiving areas in 23 communities where plans and codes were changed to accommodate TDR supply
- TDRs allowed as matter of right
- Over 48,000 acres preserved

Tahoe Regional Planning Agency

Five counties and one city

Inter-jurisdictional transfers differ based on type of marketable right

- Allocations, development rights, commercial floor area and tourist accommodation units transfer inter-jurisdictionally on jurisdictional approval
- Coverage rights can cross borders without jurisdictional approval but within the same hydrologic area
- Allocations from preservation of sensitive parcels can be used anywhere in Region

Boulder County, CO

- Seven cities signed agreements to accept TDRs from land under County jurisdiction that implement extra-territorial plans: local farms, greenbelts community separators.

Livermore, CA

Voluntarily adopted TDR to preserve 14,000 acres of dry farmland in Alameda County to accomplish

City goals for:

- Farmland preservation (possible expansion of viticulture)
- Environmental and open space protection
- Community character

Receiving Sites

Urban Infill: Intra-Jurisdictional

South Lake Tahoe

- Redevelopment Projects use marketable rights from existing motels, commercial buildings and houses in Stream Environment Zones
- Receiving sites are revitalized
- Sending sites are restored to original alpine meadows
- South Lake Tahoe benefits from strong development pressure and strict regulations

Urban Infill – Inter-Jurisdictional

Seattle agreed to accept TDRs from rural King County

- Seattle did not restrict where TDRs must come from
- Receiving area is Denny Triangle

- Developer has purchased TDRs from County bank to exceed floor area baseline in 36-story mixed use project (1 TDR/2,000 bonus sf)

Issaquah: 62 TDRs from 313-acre County site allowed 500,000 bonus sf in Microsoft office

Urban Infill – Inter-Jurisdictional

Livermore, CA

- Sending area: 14,000 acres under County jurisdiction
- Receiving areas: 20 sites in general plan update designated for higher density
- All within city
- All infill
- Including high-density residential infill at commuter rail stop

Expanding Urban Edge: Intra-Jurisdictional: Zoning Pre-designated

Montgomery County, MD

- Some receiving areas at the advancing urban edge
- TDR receiving areas are rezoned to any of nine TDR receiving zones ranging from
 - RE-2: From 0.5 to 4 DUs/acre to
 - R-10: From 53.07 to 100 DUs/acre

Larimer County and Fort Collins jointly implement Fossil Creek Plan

Sending Area: Reservoir and surrounding land under County jurisdiction

Receiving Area:

- Receiving area zone within County but adjacent to City
- Receiving area zoning consistent with City zoning and development rules
- City agrees not to annex receiving areas until developers produce receiving County approval and retire TDRs
- Entire receiving area developed using TDR option

Expanding Urban Edge – Inter-Jurisdictional Not Pre-designated

Some communities do not initiate rezoning to TDR receiving zones

Developers apply and up-zonings are granted according to community procedure

- Consistent with general plan
- Adequate infrastructure
- Effects mitigated

But TDRs are required for each unit above density permitted by old zoning

Berthoud, CO: Inter-jurisdictional

Expanding Urban Edge : Inter-Jurisdictional: Annexed Areas

Crested Butte, CO requires preservation of Gunnison County land when it annexes areas

Ratio of annexed to preserved land encourages protection of most critical resources

Rural Residential – Intra-Jurisdictional Receiving Areas Not Designated

Boulder County, CO

- In addition to inter-jurisdictional has intra-jurisdictional: Non Contiguous Non Urban PUD
- By TDR, density can increase from 1 DU/35 acres to 6 DUs/35 acres (with location restrictions)
- Sending and receiving sites are not pre-zoned but determined via PUD

New Town: Intra-Jurisdictional

Tailor the TDR programs to the community.

Receiving area is any parcel up-zoned under current general plan and all future general plan amendments

Pre-amendment density is the baseline

TDR ordinance states number of TDRs needed per bonus unit to exceed baseline

Advantages

- Public understanding that TDR works within general plan
- Developers cannot circumvent TDR requirement for any up-zoning

Pending program Gunnison, CO

Sending areas

- By criteria
- Land trust sponsors & partly funds easement

Receiving areas

- All new subdivisions (lots < 35 acres)

TDR Requirement

- 10% of value increase from subdivision determined by assessor's data

Three compliance options

- Contribution to preservation of approved sending site
- Payment in lieu of easement
- Payment in lieu of easement upon sale of each lot

Monitor & Adjust Programs

Original TDR programs use assumptions

Change programs based on actual experience

Some of the most successful TDR programs in the country have been refined

Public Comment for items not on the agenda: Eric Greening asks for the Board date for the South Atascadero Community Based Plan. Karen Nall responds that it is scheduled for October 23, 2007.

Discussion continues with question and answers from Rick Pruetz.

Meeting adjourned.

Next Meeting – October 3, 2007 at 3:00.